

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	CASE NO. 9657
EAST LOGAN WATER DISTRICT)	

O R D E R

On July 30, 1986, East Logan Water District ("East Logan") filed its revised tariff sheets with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to KRS 278.015 and 807 KAR 5:068. Subsequently, on August 12, 1986, East Logan filed revised tariff sheets to correct an error in the calculations in its initial filing.

The Commission, having reviewed the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. East Logan's supplier, City of Russellville, will increase its rates for wholesale water by approximately 33.6 percent effective September 5, 1986.
2. East Logan purchased 78,020,300 gallons of water during the 12-month period ending June 12, 1986, and sold 48,954,000 gallons during the same 12-month period.
3. The calculations made by East Logan in its revised filing are correct and show an increase in purchased water costs of \$25,929, resulting in a purchased water adjustment of \$.53 per 1,000 gallons.
4. East Logan proposes to adjust rates to its customers effective September 5, 1986.

5. In its corrected filing of August 12, 1986, East Logan applied the purchased water increase to rates granted by an Order of the Commission in Case No. 9440 (An Adjustment of Rates in the East Logan Water District and for Authority to Reamortize Existing Bond Indebtedness), dated May 15, 1986. Subsequently, in its Order on Rehearing in Case No. 9440, dated September 2, 1986, the Commission granted revised rates to East Logan.

6. The purchased water expense allowed for rate-making purposes in Case No. 9440 was calculated on the base rate in effect during the test year and no adjustments were made for the increase in purchased water costs considered in this case. Therefore, the purchased water adjustment found reasonable herein should be applied to the rates granted by the Commission's Order of September 2, 1986, and the rates proposed by East Logan should be denied.

7. The purchased water adjustment in the amount of \$.53 per 1,000 gallons and the rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment in the amount of \$.53 per 1,000 gallons and the rates in Appendix A be and they hereby are approved for services rendered on and after September 5, 1986.

2. Within 30 days of the date of this Order, East Logan shall file its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 12th day of September, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Herman
Chairman

Kes R. L.
Vice Chairman

Spencer D. Williams
Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9657 DATED SEPTEMBER 12, 1986.

The following rates and charges are prescribed for the customers in the area served by East Logan Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>USAGE BLOCKS</u>	<u>MONTHLY RATES</u>
<u>5/8" x 3/4" Meter</u>	
First 2,000 gallons	\$11.31 Minimum Bill
Next 2,000 gallons	5.28 per 1,000 gallons
Next 2,000 gallons	4.98 per 1,000 gallons
Next 4,000 gallons	4.13 per 1,000 gallons
Over 10,000 gallong	2.48 per 1,000 gallons
<u>1" Meter</u>	
First 4,000 gallons	\$21.87 Minimum Bill
Next 2,000 gallons	4.98 per 1,000 gallons
Next 4,000 gallons	4.13 per 1,000 gallons
Over 10,000 gallons	2.48 per 1,000 gallons
<u>1 1/2" Meter</u>	
First 6,000 gallons	\$31.83 Minimum Bill
Next 4,000 gallons	4.13 per 1,000 gallons
Over 10,000 gallons	2.48 per 1,000 gallons
<u>2" Meter</u>	
First 10,000 gallons	\$48.35 Minimum Bill
Over 10,000 gallons	2.48 per 1,000 gallons